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ILLINOIS HISTORICAL SURVEY

FIFTH ANNUAL REPORT

OF THE

DIRECTORS

OF THE

MILWAUKEE & MISSISSIPPI

Rail Road Company,

TO THE STOCKHOLDERS:

TOGETHER WITH THE

REPORTS OF THE TREASURER, SECRETARY,

AND

SUPERINTENDENT.

JANUARY, 1854.

MILWAUKEE:
DAILY SENTINEL STEAM PRESS.
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OFFICERS AND DIRECTORS

OF THE

Milwaukee & Mississippi R. R. Co.

OFFICERS.

JOHN CATLIN, *President.*
EDWARD H. BRODHEAD, *Chief Engineer.*
WM. TAINTOR, *Secretary.*
I. E. GOODALL, *Treasurer.*

DIRECTORS.

ELISHA ELDRED,	ALEXANDER MITCHELL,
EDWARD D. HOLTON,	A. FINCH, Jr.,
GEORGE H. WALKER,	ELIPHALET CRAMER,
ERASTUS B. WOLCOTT,	HANS CROCKER,
WILLIAM A. BARSTOW,	ADAM E. RAY,
SHELDON C. HALL,	JOSHUA COBB,
JOSEPH GOODRICH,	H. L. DOUSMAN,

JOHN CATLIN.

EXECUTIVE COMMITTEE.

JOHN CATLIN,	ANSON ELDRED,
JOHN H. TWEEDY,	ERASTUS B. WOLCOTT,
ADAM E. RAY.	

FINANCE COMMITTEE.

ALEXANDER MITCHELL, | ELIPHALET CRAMER,
ANSON ELDRED.

Office in the Depot Building, at the Junction of the Milwaukee and Menomonee Rivers.

*

DIRECTORS FOR 1854.

I certify that at the annual election for Directors, held at the Rail Road Depot, in the city of Milwaukee, on the 10th day of January, A. D. 1854, the following named persons received the number of votes affixed to their names, and were declared duly elected Directors of the M. & M. R. R. Co. for the year ensuing, to wit :

H. L. DOUSMAN,	9,863,
GEORGE H. WALKER,	9,858,
E. B. WOLCOTT,	9,863,
E. D. HOLTON,	7,197,
E. CRAMER,	9,850,
H. CROCKER,	8,054,
A. MITCHELL,	8,412,
W. A. BARSTOW,	9,587,
S. H. ALDEN,	9,853,
A. E RAY,	9,007,
J. COBB,	8,906,
A. FINCH, Jr.	9,859,
J. GOODRICH,	9,863,
S. C. HALL,	8,175,
JOHN CATLIN,	9,863,

Total vote polled, - - 9,863.

WM. TAINTOR, Secretary.

Milwaukee, January 10, 1854.

REPORT

OF THE

BOARD OF DIRECTORS.

The Directors of the Milwaukee and Mississippi Railroad Company, in presenting their Fifth Annual Report to the Stockholders for the year ending December 31st, 1853, deem it in order, first, to explain the progress which has been made in extending their road, and secondly, to describe the condition of the affairs of the Company generally.

On the 4th of April last, the contract for the grading, masonry, bridging, and the laying of the superstructure, was let to Messrs. Cooke & Sherwin, from Rock River, (the point to which the work was then under contract to J. & S. Chamberlain,) to Madison, a distance of 30 miles.

By the terms of this contract, the road was to be completed to Stoughton, a point 80 miles from Milwaukee, by the 1st of September past, and to Madison by January 1st, 1854.

The contractors have not progressed with the work as fast as the contract required, notwithstanding all their estimates for work done have been paid promptly, and every effort on the part of the company's agents, made to induce them to increase, from time to time, its progress.

The contractors allege, that owing to the unprecedented amount of public works which have been constructing during the past season, they have been unable to get a sufficient force to fulfil the conditions of the contract.

The Board believe that this cause has been some detention to the contractors; but while they concede this, they believe, that had a corresponding effort been made, with the increased demand for labor, that the requisite force could have been obtained; and therefore they cannot withhold their regret that this delay should have occurred.

The road was opened to Stoughton the 2d day of January past.

From Stoughton to Madison, the grading, bridging and masonry are now nearly completed, requiring a further sum of about $20,000 to complete the same.

For this portion of the road all the materials for the superstructure are delivered, except about 400 tons of iron rail, which failed to reach here, from Buffalo, before the close of navigation.

Should this quantity be required before navigation opens in the spring, it may be obtained by an arrangement with one or the other of the Railroad Companies who have iron here, for a loan of that amount.

It is the intention of the Board, at all events, to have

the road completed to Madison, on or before the first of May, ready for the spring business.

So far as any information is required in reference to the operation of the road, the expenditures, &c., which have been made, and for all details pertaining thereto, the Board would refer to the Superintendent's Report, hereto annexed.

Having put all the work under contract to Madison, the Capital of the State, conditioned that it should be completed by January, 1, 1854, it became an object of very great importance with the Board to provide, if possible, for the speedy extension of the road from Madison to the Mississippi River.

Various plans were suggested having this object in view. One was, to complete the road to Madison, and show, by its receipts, that the money invested to that point was yielding a large return, and in this most satisfactory manner show to capitalists abroad the value of the whole enterprise, and thus enlist their means in extending the road.

Another plan was, to endeavor to provide the means for, and put the work under contract to the Wisconsin river, a distance of 30 miles, and by boats on that river, form a connection with the Mississippi at Prairie du Chien, which would be a very important step towards the completion of the whole work, and would render the balance easy of accomplishment.

Although these plans have both their advantages, yet neither seemed to provide for as speedy a completion of the work, as the then state of the money market and the interests involved seemed to require.

About this time a proposition was received from A. L. Catlin, Esq., of Burlington, Vermont, to construct the balance of the road from Madison to the Mississippi river, and assume the contract which the Company had made with Messrs. Cooke & Sherwin, from Rock River to Madison, and complete the whole by January 1st, 1854, at $25,000 per mile, and receive in payment one-half in the Capital Stock of the Company, and one-half in the Bonds of the Company, bearing eight per cent. interest at their par value.

The $25,000 per mile included $45,000 for depot buildings, $267,800 for equipment, $4,500 for turn tables, and includes the right of way, depot grounds and fencing, and provides that the road shall be completed in all respects equal to the best portion of that in operation.

This price was regarded as very high, and much above the amount for which the road could be constructed, provided the Company had the cash to pay for the work.

But as the proposition relieved the Company from all responsibility of providing funds, and proposed to complete the road to the Mississippi river at the earliest day within which the work could be performed, and as it seemed in all respects to meet the requirements of the Company, and of the country through which the road was to pass, it was judged expedient to enter into a contract based upon that proposition, which was done on the 24th of July past, by a unanimous vote of the Board in attendance, consisting of eleven members (the whole being fifteen).

At the time the contract was let, there was, to some extent, an unsettled state of the money market, and a commencement of a want of confidence in railroad securities, both in this country and in Europe; but this state of things did not assume a serious character until some time after, when, by the failure of banks and of individuals connected with railroad enterprises, this state of things came to a crisis.

The contractor, not being able to find parties who were willing to contract to deliver the quantity of iron in the short time required to fulfil his contract, which, being followed up by the financial embarrassments to which we have alluded, gave notice to the Company that he could not fulfil his contract within the time, he therefore deemed it necessary to ask for an extension of time, or some other modification of the contract.

Now, as the Board considered that when they entered into this contract they were paying an additional price to enable the contractor to complete the road at an early day, it would readily suggest itself, that if an extension of time were granted, it would change one important condition of the contract.

In view of the interests of both parties, and of the circumstances surrounding the whole matter, it was deemed expedient to cancel the contract, which has been done on satisfactory terms to both parties.

On the 28th of May last, the President, by a vote of the Board of Directors, issued six hundred and fifty thousand dollars of stock, bearing eight per cent. interest, pay.

able semi-annually, in New York, on the first days of April and October respectively, and the principal reimbursable April 1st, 1863. These bonds are secured by a first mortgage on the Janesville Branch, which has cost $100,000, and on the road from Rock River to the Wisconsin River, about 64 miles.

It also includes the road from Milwaukee to Rock River, about 70 miles, subject to the previous mortgage of six hundred thousand dollars, which latter mortgage is described in the last Annual Report, on page 6, as follows:

"On the 15th of June last, the President, under the "powers conferred, issued six hundred thousand dollars "of eight per cent. bonds, the interest payable in the "city of New York, semi-annually, on the first days of "January and July respectively, and the principal pay- "able on the 1st day of July, A. D. 1862, and secured "the same by mortgaging the road and its appur- "tenances from Milwaukee to Rock River, a distance "of about seventy miles. This mortgage is a second "mortgage for the first twenty and a half miles, "for the sum of seventy-four thousand dollars, and "the first and only mortgage from Waukesha to "Rock River. Seventy-four thousand dollars of the "eight per cent. bonds were specially reserved from "sale and were deposited with the trustee in the mort- "gage, Geo. S. Coe, Esq., to be exchanged for the like "amount covered by the first mortgage, and if they can- "not be so exchanged, to be cancelled, so that there "should be but six hundred thousand dollars on the road "to Rock River."

These bonds are convertable into the stock of the Company at any time during the pleasure of the holder, within 5 years of their date. The first issue of $600,000, have been made the basis of banking, as will be seen from the certificate of the Attorney General, marked A, and of the Comptroller, marked B, hereto annexed.

The second issue can also be made bankable, as soon as the road to Madison has been a sufficient time in operation, as may be seen from a copy of the Act authorizing the business of Banking, hereto annexed, marked C.

The Board believe that there are no better securities offered in market, than these bonds. They are a first lien upon a road already nearly constructed, which, for the past year, when only 70 miles were in operation, has earned over and above all expenses a nett dividend of 10 per cent, leaving a surplus of $6,140; and as the bonds are made a basis of banking, they should be regarded as desirable investments as any of the State Stocks; especially as they bear eight per cent. interest, payable semi-annually in New York, and are convertable into the stock of the Company.

While upon the subject of the value and importance of the securities which the Company offers in market, the Board think it appropriate to refer to what they consider the position which the Milwaukee and Mississippi Railroad occupies, its connections and prospects of business.

The general direction of the route is due west from the city of Milwaukee, in fact, the point on the Mississippi river, selected for its terminus, is exactly west from Milwaukee. The only considerable variation from an

east and west line is at Milton, about 62 miles from this city, which is caused by a high range of prairie land lying on an east and west line from Milwaukee. From Milton to Madison, the route is mainly in the valley of the Catfish creek, which is the outlet of the four lakes situated in the vicinity of Madison.

From Madison, it is in the valley of the Black Earth creek, and thence down the valley of the Wisconsin river. Two-thirds of the entire route may therefore be claimed as confined to valleys.

It is necessary to keep this fact in mind, as it has an important bearing on the cheapness of the route, and as precluding the possibility of a competing line, except it be constructed in the same valleys.

The principal distance lost by the present route to Madison, is between this city and Waukesha, within which some 3 or 4 miles, it is supposed, might have been saved.

There is therefore no inducement, and of course little probability of a competing line between this city and Madison.

Now, as the route from Madison to the Mississippi is confined to valleys, and principally to that of the Wisconsin river, which here occupies exactly the course the road should pursue, there is also no reasonable expectation of a parallel route for this distance.

The Wisconsin valley occupies the same controlling relation to that portion of this State, through which it passes, as the Mohawk valley does to that portion of the state of New York in which it is situated, and it would be about as expensive and every way as difficult

to construct a road parallel to the one as the other, except it be within the highlands bordering them on either side, for the reason they occupy the lowest ground, and therefore the streams from the adjacent country flow into them, rendering it necessary, in constructing a parallel road, to cross these streams and the valleys in which they lie. So much, is designed to show the favorable location of the Milwaukee and Mississippi Rail Road.

A road is projected, and a portion completed, from Beloit to Madison, which is a continuation of the Chicago and Galena road from Belvidere. By this route the distance from Chicago to Madison must be about 150 miles, while from Milwaukee to Madison the distance is but 96 miles, making a saving of 54 miles.

The Chicago route can therefore, by no possible means, compete with the Milwaukee route for the freight from Madison. Besides, when the freight reaches Milwaukee, it will be 90 miles nearer its eastern market, by water, than at Chicago.

Passengers who are at Madison when the Madison and Beloit road, leading to Chicago, is completed, of which there yet remains some 40 or 45 miles to construct, will have their choice, to go by that route, or by way of Milwaukee and the Lake Shore road, which is now under contract to efficient and responsible contractors, and will therefore be speedily built.

The saving of distance by the former route will not exceed 35 or 40 miles, which will be nearly or quite made up by the additional speed via. Milwaukee and the Lake Shore road. Such is now, and such will continue

to be, the relation of the business men of the interior of the State, to those residing in the Lake Shore towns, and especially with the city of Milwaukee, being the emporium of the State, that they will find it convenient and economical to take this route. Besides, as we shall presently show, in discussing our eastern connections across Lake Michigan, when at Milwaukee, they will be on the most direct, cheapest and least expensive route to the East.

Hence we conclude that the Milwaukee and Mississippi Rail Road occupies such a position, as within all reasonable bounds, to preclude the idea of a parallel or competing line, at least for its local business. This fact we regard as highly important in estimating the future value of this stock.

So far we have considered the Milwaukee and Mississippi Road as terminating at Milwaukee, with no other Eastern connections or outlet than by the Lake Shore Road and by the Steamboats on Lake Michigan and the lower lakes. An examination of the map of the United States, will show that the city of Milwaukee is situated on the parallel of 43 deg., that the same parallel passes through Madison, the capital of the state, and the centre of the Milwaukee and Mississippi Rail Road, that it also passes through Prairie du Chien, the Western terminus of said road, that in pursuing it westward, it is found to follow nearly the first route explored by Mr. Whitney for the Pacific road, and occupies an important position through the state of Iowa.

Now return to Milwaukee and trace this same parallel eastward, and we find as we proceed, that it passes

through Grand Haven, on the eastern shore of Lake Michigan, which is the terminus of the Grand Trunk road of Canada, and of the Oakland and Ottawa, running thence to Detroit. As we proceed along this line, we find that it passes through Port Sarnia, at the foot of Lake Huron, another point in the Grand Trunk road, which is only about sixty miles North of Detroit. Thence proceeding eastward, and we find it crosses Niagara River, a short distance North of Buffalo, and thence it follows nearly the route of the Central Line of road through New York and strikes the Atlantic Ocean, not far from fifty miles North of Boston.

Now, there only remains ninety-six miles of the Milwaukee and Mississippi, and one hundred and sixty miles of the Oakland and Ottawa roads, with the Steam Ferry across Lake Michigan, to complete this chain of communication of about twelve hundred miles, which may be regarded as the longest stretch of Rail Road and Steamboat connection on the same general straight line.

Again, it passes through the most densely populated and enterprising portion of the United States, for the same distance, and what is of still greater importance, it lies through the most healthy portion.

At a meeting held in Detroit in May last, it was stated that there were parties who were ready to put Steamboats on Lake Michigan, which they would *guarantee* would cross the Lake between Milwaukee and Grand Haven three hundred and thirty-six days in the year, and enable the trip to be made from Milwaukee to Detroit in ten hours.

From what we have said as to the Eastern connection which the Milwaukee and Mississippi road will have, it follows that it has nothing to apprehend from competition with roads leading from the Mississippi river around the Southern projection of Lake Michigan, at least for that business which naturally belongs to it, to wit: the business of Northern Iowa, of Minnesota, of the upper Mississippi, and of Northern Wisconsin, bordering on the Mississippi river. A reference to distances will still further confirm this position.

From Milwaukee to Detroit, by the Oakland and Ottawa road, the distance is two hundred and sixty-eight miles. From Milwaukee via. Chicago to Detroit, is about three hundred and sixty eight miles, making a saving of one hundred miles in favor of the direct route from Milwaukee.

Again, the saving in distance by way of Grand Haven through Port Sarnia, and by the Brantford and Buffalo road instead of by way of Chicago and by rail road all the way to Buffalo, is one hundred and seventy miles.

In considering the saving of these distances, it is important to bear in mind, that they effect not only a saving of time, but a material saving in the expense of transportation, which is the same thing, a saving of capital.

The saving on the Grand Haven route to Detroit, is first, the capital invested in 100 miles of rail road at $25,000 per mile, $2,500,000

Secondly, in the difference of capital to be invested in Steamboats to do the business

across the Lake, and that required to build
80 miles of Rail Road, - - - - - - - - $1,500,000

Making a saving of capital on the Grand
Haven route to Detroit, of - - - - - - $4,000,000

To Buffalo, by way of Port Sarnia, on the
same principle, the saving is - - - - - - 5,750,000

This comparison is made taking Milwaukee as the common point, but it will readily be seen, that it holds true, if Prairie du Chien, the western terminus of our road, is taken.

These are important facts to be kept in mind in discussing the subject of competition with other routes; they give to the Milwaukee and Mississippi Road an advantage that should put at rest any fears which may be entertained on this subject.

The Milwaukee and Watertown Rail Road branches from the Milwaukee and Mississippi, about 14 miles west of Milwaukee. A contract has been entered into with that Company, by which they have the right to use this portion of the track of the Milwaukee and Mississippi Company and the Depot Grounds, and Depot Buildings in Milwaukee, which will give to the Milwaukee and Mississippi Company, at least $30,000 per annum, without incurring any expense except the wear and tear of the fourteen miles of track to be used in common. This road (Milwaukee and Watertown) extends in a Northwest direction, into a highly productive country and along one of the main avenues of business into this city, and cannot fail at all times to be largely tributary to the business of the Milwaukee and Mississippi road, besides paying well to its stockholders.

Such is an outline of the position occupied by the Milwaukee and Mississippi Road, of its connections with other roads, and advantages of location, considered with reference mainly to its through business. As to the local business, the Board deem it unnecessary to enlarge, beyond what they have already stated: so long as they have the actual local business of the road to refer to, which shows more conclusively than any thing else can, the productiveness of the country through which it passes, and yet it is no more productive, than that through which it is to be continued. Already the receipts, from an entire local business, when only 70 miles are in operation, running into the interior of the state, with no through connections, compare favorably with roads nearly half as long again, running through old settled countries, with good through connections to aid them.

As appropriate to this subject and coming from a reliable source, the Board would present an extract from an article in the Rail Road Journal, written by the Editor after he had examined the route of our road:—

"The State of Wisconsin furnishes a striking illustration of the correctness of the above remarks. In 1840 its population was only 30,000 souls. In 1850 it reached 304,000. At the present time the number of inhabitants cannot fall short of 450,000. The increase for the past *ten* years has been just about 400,000. As we were desirous of seeing what ten years had achieved in what, prior to that period, had been an unbroken and uncultivated waste, we passed over the principal line of railroad in the state, the Milwaukee and Mississippi, and devoted

a day to a pretty critical study of the city of Milwaukee. In no part of the West did we see a better settled, a better cultivated, or a more productive country; and no road groaning under the press of a larger business in freights, than the above named.

Wisconsin is one of the most attractive, because it is one of the best *wooded* of the *prairie* states. It presents a constant succession of small prairies and wooded knolls, enabling nearly every farmer to locate in the vicinity of timber and good water, with prairie spread out before him of the easiest cultivation and almost inexhaustible fertility. With such advantages *ten* years have been sufficient for the creation of a great and prosperous state, filled with large and flourishing towns, and whose people present every evidence of wealth and extraordinary prosperity. Milwaukee, at the lowest estimate, contains thirty thousand inhabitants, and is one of the best built and most beautiful towns in the United States, with a very large and rapidly increasing commerce. Although the area of the State is very large, nearly the entire population of it is embraced in that portion of it *South* and *East* of the Wisconsin and Fox rivers, a territory of less than ten thousand square miles. We cite the above illustrations for the purpose of showing that in no part of the West can the construction of Rail Roads outstrip the wants of the people, or their ability to supply to them an abundant traffic."

The Board would add in concluding this branch of their report, that they can see no reason why the business of the Milwaukee and Mississippi road should not,

when it is completed through to the Mississippi river, equal in the aggregate that of the Central Michigan road. It has a far better country from which to draw its local business, although at the present day it is not so thickly inhabited, yet the population has increased in this state more rapidly than in any other state in the Union. As an illustration of this position, we present the following table, which embraces the gross earnings of the Michigan Central road, and the length in operation, for each year, commencing with 1846, and ending with 1853. It also embraces the amount which that road should have received in proportion to its length in operation, each year, for the same time, taking the gross receipts of the Milwaukee and Mississippi for the past year, and its length in operation, as the basis of the calculation.

MICHIGAN CENTRAL.			Gross Amount. taking the length and business of the M. & M. R. as the basis.
YEARS.	Av. lenath in operation in miles.	Gross amount received.	
1846,	145	$277,678	$458,350
1847.	145	367,555	468,350
1848,	145	360,035	468,350
1849,	182	427,429	587,860
1850,	182	691,972	587,860
1851,	227	947,367	733,210
1852,	280	1,069,947	904,400
1853,	280	1,153,660	904,400

It will be seen from the above table, that the business of our road is greater in proportion, allowing no increase whatever as due to an increased length of road, by commanding a greater range of country, and for the

business of which, receiving a larger price in proportion, until 1850, when that road *felt the effect of a through business*, and if we deduct only the amount received on that road, for through passengers for that and the succeeding years, we shall still show that the local business of our road is greater in proportion than the way passenger, and way and through freight business of the Michigan Central Road, as will be seen from a comparison of the two last columns of the following table:

	MICHIGAN CENTRAL.			
YEARS.	Gross Am't of receipts, as above.	Deduct thro' pass. receipts.	Leaves for way pass. & way & thro' freights.	M. & M. Road as above.
1850,	$681,972	$198,547	$493,425	$687,860
1851,	947,247	*300,000	647,347	733,210
1852,	1,069,847	365,901	704,046	904,400
1853,	1,153,660	268,349	834,311	904,400

Nor do we believe that the Milwaukee and Mississippi road will ever have as close a competition for its through passenger and freight business, as that road, It will be especially free from the Lake competition for its through freight business, to which that is, and always must be, subjected.

But then it is not necessary that the Milwaukee and Mississippi should have as large receipts, in order to pay as great a per centage, as it can now be constructed for about half the cost of the Michigan Central Road.

If the Board were to present an approximate estimate of the business of this road, they would proceed

* Estimated, not having the exact amount on hand.

somewhat in this manner:—Call the road 200 miles long, from which deduct 20 miles next Milwaukee as not materially tributary to it; making 180 miles along which the business would be gathered, say from a width of 20 miles each side of it, making 7,200 square miles, or 4,608,000 square acres, and suppose 1 acre in 10 to be cultivated, leaves 460,800 square acres, from which to draw business to the road: and if we suppose each acre to produce a surplus equal to 10 bushels of grain, or an equivalent in other freight, gives 4,608,000 bushels, which, at an average only of 10 cents per bushel, gives for the local freight coming east $460,800. Although this sum is large, yet it is not a larger estimate than the business of the road for the past year would justify, viz: The number of bushels of grain transported over the 70 miles, or rather for 50, allowing the first 20 miles as not contributing any grain to the road, was 1,160,000.

If then, to the sum of $460,800, are added the local passenger receipts, and the local freight receipts going westward, and the through passenger and freight business, we shall, by every reasonable mode of estimating, reach $1,000,000, as the gross income of the road, which we believe will not be found an over estimate for the second or third year after it has been completed. If from this sum is deducted 50 per cent. for the expense of operating the road and depreciation of structure, there remains $500,000 as the nett income, equal to 10 per cent. on $5,000,000, which is a much larger sum than the road should, and will cost, with proper management.

Another mode of forming an approximate esti-

mate of the gross receipts, which, however, must strike every one as giving a result greatly below the fact, is this: The gross receipts on 70 miles, are $226,918, and at this rate for the 200 miles, would be $650,000. Now, as we have before stated, it is a fact that the receipts increase faster as the road increases in length, than in a direct proportion, and from very obvious reasons, to wit: As the road increases in length it draws to it the business of a larger extent of country, and for which the Company receives a much larger price. For instance, by adding 20 miles to our road, when 50 miles were in operation, more than doubled the gross receipts.

It is proper, and probably will be expected, that the Board should say something respecting the future policy of the Company.

It is true they cannot, at this time, mark out any definite plan of action to be immediately adopted, and probably it will not be expected, in view of the present condition of the money market. Yet they are prepared to say now, as on all other occasions, that it is their *object* and *firm determination* to press forward the road to the Mississippi river, with all possible dispatch, consistent with economy and a proper regard for the interest involved in the undertaking.

They also feel warranted in saying, that a road of 70 miles in length, which has done so successful a business for the past year, which is soon to be increased to 100 miles in length, reaching to the Capital of the State, and into a country unsurpassed in its ability to produce, and in its advantages of location, *cannot long remain station-*

ary, especially when there lies between *it* and 3000 miles of steamboat navigation, a country equally as productive and every way as desirable to occupy, as that through which it has already passed, and over which a road can be so cheaply constructed.

The means, or the securities on which money has been obtained, for the prosecution of the work thus far, have been furnished by the citizens along the line of the road, and by the city and citizens of Milwaukee, which is almost without a parallel, certainly when the circumstances under which it has been done, are duly considered.

This road was commenced when confidence in railroad investments was at a low point; at a time when money was hard to be obtained for almost any purpose. It was a pioneer work, extending into a country but sparsely populated, that six years before, was comparatively a wilderness; and notwithstanding the work has steadily advanced, which evinces, not only a confidence in the enterprise, but an energy in pressing it forward, which, if exerted in the same degree, in regard to the extension of the road from Madison to the Mississippi river, cannot fail to accomplish the object. But it is not probable that the same effort will be required to accomplish the balance of the work, for that which has already been performed, will, of itself, aid very much the extension from Madison to the Mississippi.

The route has been adopted from Madison, viz., down the valley of Black Earth to its intersection with the Wisconsin river, and down that river to Prairie du Chien.

From Madison to the Wisconsin river, the line has been definitely located, and a portion of the grading performed.

During the past year a party of Engineers have thoroughly surveyed all the routes in the Wisconsin Valley, and are now engaged in making their Maps and Estimates, so as to enable the Company to select the route on which to construct the road in this valley.

The Company are therefore in a condition to put the work to the Mississippi under contract at any moment they may deem it expedient to do so, which is a very important step in the progress of the work.

The Board stated in their last annual report, that the branch of eight miles, from Milton, on the main line to Janesville had been constructed under a contract with and by virtue of the Charter of the Southern Wisconsin Rail Road Company. They would now add to that statement, that during the last session of the Legislature, the necessary enactments were obtained to consolidate this with and make it a part of the Milwaukee and Mississippi road, and that all the necessary steps to accomplish this object have been taken between the two companies.

The gross receipts for the year ending December 31, 1853, are as follows:—

From Passengers, - - - -	$78,635.34
" Freight. - - - -	142,820.28
Total receipts, exclusive of materials transported on construction account, which by a reference to the Superintendant's report will be found to be a large item, - - -	$221,455.68

Deduct for expenses of operating the road, which sum includes all the expenditures for the repairs of Cars, and Engines, and for the Track, and all salaries paid to Engineers and Firemen, incident to building about twenty miles of road, and to ballasting a like distance, - - - -	87,115,48
Gives for nett receipts,	$134,340,14
Deduct for interest paid on bonds, the avails of which have gone into that portion of the road in operation the past year, -	58,200,00
Leaving as applicable to dividend on $698,800 of stock, which makes up the balance of the cost of that portion in operation,	$76,140,14
At a meeting of the Board on the 5th January, a resolution was adopted declaring a dividend of *ten per cent.* payable in Stock, which amounts to - - -	69,880,00
Leaving a surplus of - - -	$6,260,14

This result must be highly gratifying to those who have invested their money in this work, which at the time it was done, was truly an experiment; not that rail roads were experiments, but a rail road, which for a portion of the year at least would be completely isolated, extending into a new and sparsely settled country, was an experiment, which might well have been so re-

garded by the most enterprising. As this result so fully justifies the statements, predictions and estimates which were made by those who *solicited aid from abroad*, to carry forward this work, it must also be exceedingly gratifying to them.

By the Board of Directors,

JOHN CATLIN. President.

DOCUMENTS

ACCOMPANYING THE

Report of the Board of Directors.

[A.]

OFFICE OF THE ATTORNEY GENERAL OF THE STATE OF WISCONSIN,

Madison, October 14, 1853.

Upon the statement of the Directors of the Milwaukee and Mississippi Rail Road Company, and the certificate bearing date September 14, 1853, filed therewith in the office of the State Treasurer, I have no hesitation in saying that the Bonds of said Rail Road Company, secured by a Mortgage Deed of trust bearing date June 15, 1852, executed by said Company to George S. Coe, of the City of New York, on so much of said road as lies between the City of Milwaukee and the East bank of Rock River, in said State, are receivable as a basis for banking, within the restrictions contained in an Act entitled "An act to authorise the business of Banking," approved April 19, 1852.

(Signed,) E. ESTABROOK, Attorney General.

[B.]

OFFICE OF THE BANK COMPTROLLER,
Madison, October 4, 1853.

The Bonds of the Milwaukee and Mississippi Rail Road Company, to which the opinion of the Attorney General of this date, and the preceding papers relate, will be received at this office as a basis of banking, within the restrictions contained

n an Act entitled "An act to authorise the business of Banking," approved April 19th, 1852.

(Signed,) James S. Baker, Bank Comptroller.

[C.]

Section 6. Any person or association of persons, formed for the purpose of banking, under the provisions of this act, may at his or their option, assign and transfer in trust to the State Treasurer of this State, bonds or obligations bearing a rate of interest not less than seven per cent. per annum, payable semi-annually, issued by any rail road company in this state, incorporated by any act of the legislature of this State or of the Territory of Wisconsin, duly organized under such act of incorporation, the payment of which bonds or obligations shall be secured in the manner hereinafter provided, by a mortgage or deed of trust of the whole or a portion of a rail road constructed by such rail road company in this state; which bonds or obligations shall be received by said treasurer in lieu of the public stocks issued or to be issued by the United States, or by any state, as hereinbefore provided in this act; and upon making such assignment and transfer, such person or association of persons shall be entitled to all the privileges, immunities and benefits, which by the provisions of this act, he or they would be entitled to if the whole amount of securities so assigned and transferred were public stocks of the United States or of any state: Provided, that such bonds or obligations shall not be received or held as securities for more than one half of the amount of bills or notes issued to such person or association: And provided, further, That no rail road corpor-

ation shall ever engage in the business of banking under the provisions of this act.

Section 7. The mortgage or deed of trust executed to secure the payment of such bonds or obligations, shall be executed to a trustee or trustees, shall contain the usual and appropriate provisions for the security of the holders of such bonds or obligations; shall be the first lien on a portion of continuous rail road, of not less than forty miles, or on the whole of a rail road of not less than twenty miles in extent, and shall convey the same, together with its equipments, depots, fixtures, machinery, and the name and franchises appertaining thereto.

Section 8. No such bonds or obligations shall be received until the Governor, Bank Comptroller and Attorney General, or two of them, shall file with the Treasurer of the State, a certificate of them, signed from actual view and inspection, that such requisite portion of road has been constructed in a substantial manner, with a solid road bed, and with a rail of T or H or other approved pattern and weight, of in no case less than fifty pounds to the yard, similar to other roads of the first class, and has been fully equipped and in actual operation, and has earned for the year next preceding a nett revenue, greater than the interest on the bonds or obligations secured thereon by such mortgage or deed of trust; nor until the Attorney General shall file, in like manner, his certificate, from actual examination, that such mortgage or deed of trust has been duly executed in the manner and with the provisions required by this act, and is the first lien on such portion of road, its equipments, depots, fixtures, machinery, income and franchises; nor until the directors of such rail road company shall file in like manner a statement, under the oath of its President and Secretary, setting forth the cost of such portion of road, and the nett revenues thereof for the year next preceding.

Section 9. Such bonds or obligations shall not be received

at a rate higher than eighty cents on every dollar of the current and actual value thereof, nor at a rate, estimating the whole number of continuous miles in such portion of road, and the amount of bonds or obligations secured thereby, exceeding the one half of the average cost and value of such road, nor at a rate, to be ascertained by such estimate, exceeding eight thousand dollars per mile for every mile thereof.

REPORT

OF THE

SUPERINTENDENT AND ENGINEER.

REPORT.

To the President and Directors of the Milwaukee and Mississippi Rail Road Company.

GENTLEMEN:

In presenting this report, which is to embrace the results of the operating department of said road for the year just closed, it is proper for me to say, that we have run, during most of the year, two trains each way, per day, over the road, devoted exclusively to carrying passengers, also two regular freight trains, besides a number of extra freight trains; we have also, for a large portion of the time, run two trains on construction account.

In all, we have transported over the road 75,975 passengers, and without the slightest injury or accident of any kind to one of them.

We have also transported 67,000 tons of freight, besides a large number of tons of material used on construction account.

It is gratifying to add that in doing this amount of business the employees of the Company have also escaped without any injury happening to one of them of a permanent character, or any accident, which has more than for a few days at a time, detained them from their regular occupation.

Property transported by, as well as that owned by

the Company, has been equally exempt from casualties. The only damage worthy of notice occurred when the train was thrown off the track in October, by running over a bull, which was repaired and all the loss of property connected with it satisfied for about $1,200.

During the year the contract of J. & S. Chamberlain has been so far completed that a final settlement of all questions arising under it, has been made. There remains however, some more ballasting and the widening of embankments to be performed, in order fully to complete the work embraced in the contract, for which a deduction of $5,836 was made in the final settlement, to be paid to the contractors, when they shall have performed the work, which they intend doing in the spring.

I believe I can say with confidence, that when this small amount of work is performed, and the road bed, to some extent, widened, an additional quantity of ballasting put on between Milwaukee and Waukesha, the road for the first 68 miles, extending to Rock river, will be as thoroughly constructed as any of the first class roads.

From Rock river to Madison, it is intended that the work shall be in all respects, as substantially constructed.

The road was opened for business to Stoughton, which is 16 miles from Madison, on the second of this month.

This will add greatly to the receipts of the Company, and will afford very great additional facilities to the business of the country. Every mile now added to the length of the road, very greatly enlarges the area of its

influence, and thus enables it to draw business from a much wider range of country.

Between Stoughton and Madison, the grading is nearly completed, and all the materials required for the superstructure, are ready, except about 400 tons of iron, which may be had, if required, before the opening of navigation. There is therefore nothing in the way of completing the road to Madison in time for the early spring business.

From Madison, the line has been definitely located down the valley of the Black Earth creek to its junction with the Wisconsin river, about 25 miles. Under the general contract of A. L. Catlin, this portion of the road was sub-let on the 23d day of August, 1853. Under these contracts there have been 88,000 cubic yards of earth removed, and a small amount of masonry performed, which amount, at the sub-contractor's price, to $17,437. For a considerable portion of this distance the right of way has also been obtained.

On the first of June last, a party of Engineers were organized under C. F. Miller, Esq., for the purpose of extending the location of the line of the road from the point, to-wit, the junction of the Black Earth with the Wisconsin, to which the work had been put under contract, to Prairie du Chien, following down the valley of the Wisconsin river. Mr. Miller continued in this service until about the fifteenth of July, when he resigned, and the party was placed in charge of Samuel T. Wright,

Esq., who had acted up to that time as Mr. Miller's assistant.

Under Mr. Wright, the survey has been vigorously prosecuted to its completion, on the 24th of December past; not in time however, to present the results of the survey in this report, except in a general manner.

Mr. Wright and his assistant, Mr. Mortimer, are now engaged in making the maps, profiles and estimates, and as soon as these are completed, it is my intention to present a report embracing all the facts connected with the location of the line from Madison to Prairie du Chien.

The results of the surveys will fully sustain the favorable opinion which has heretofore been expressed in regard to the feasibility and cheapness of the route down the valleys of the Black Earth and the Wisconsin.

The line will be remarkably direct, and when curves are introduced they are of the largest radii. One of the routes has a straight line of 30 miles in length, and stretches of from one to six miles each, frequently occur. On about 90 miles of the distance between Madison and the Mississippi, there need not be a grade exceeding 10 feet to the mile, and on no portion exceeding 22 feet to the mile.

The following buildings have been constructed the past year: a freight warehouse 216 feet by 71, two stories in height; in the upper one the company's offices are now located. This building is situated at the junction of the Milwaukee and Menomonee rivers, which affords very great facilities for receiving and discharging freight to and from the cars and vessels.

It cost - - - - - - - - - - - - - - -	$10,000
150 feet has been added to the length of the machine shop, in Milwaukee, at an expense of	4,300
A brick round house designed to be fire-proof, capable of holding seven locomotives, has also been erected in Milwaukee, costing	5,225
Also a brick water house, which cost - -	400
Besides these permanent buildings, a shed with platform to accommodate the produce business, has been erected, 250 feet by 30, at	1,000
Total for buildings in Milwaukee, - - -	$20,925
There have also been 14,885 rods of fence built, amounting to - - - - - - - - - -	$13,396
Along the line of the road, there have been constructed at Fulton, a passenger and freight building and water station, at . - - - - -	3,688
Also, the same at Stoughton, - - - - - -	3,638
At Madison a stone passenger and freight building, has been constructed, at - - - - -	4,400

The balance of the expenditures, as well as those above stated, are embraced in the Secretary's report.

A sale of the Machine Shop for building cars at Waukesha, and the buildings and land connected therewith, was made to Messrs. Case & Pullin, on the 21st of July last, and possession given the first of Sept., at $12,000, conditioned, that the Milwaukee and Mississippi Rail Road Company would purchase of them seventy-five box cars at $625 each, and twenty-five platform cars, at $525 each. The cars to be delivered by March 1st,

1855, and as fast as delivered the Company are to retain $120 on each car to cancel the purchase of said machine shop. On this contract 20 box cars have been delivered. The Company also purchased in September past, thirty cars in Chicago.

The establishment at Waukesha will now be able to keep the Company supplied with cars.

EQUIPMENTS.

6 Passenger Cars.
2 do do in the course of construction.
2 Baggage Cars.
2 do do in the course of construction.
183 Freight Cars.
40 Gravel do
13 Hand do
11 Locomotive Engines.

The gross receipts embrace a sum of $5,462.86 charged for rail road iron transported on construction account, which being deducted therefrom leaves for the gross earnings from an actual paying business the sum of $221,455.42. The expenditures on account of operating the road amount to $87,115.48, which sum includes all kinds of repairs and expenses, not only on the running account, but also on construction account. For instance, there have been about twenty miles of the road ballasted with one and one half feet of ballasting, hauled on an average of about seven miles. Eighteen miles of road have been constructed, the iron for which has been hauled an average of seventy-one miles, and the ties an average of fifty-five miles. All the expenses for the repairs of engines and track and the salaries of engineers and

firemen to do this work, are included in the sum above stated. It also includes materials on hand amounting to $6,000.

I can therefore safely say that the sum of $87,115.48 amply provides for all the running expenses and for keeping the rolling stock of the company good. This sum is equal to 39 1-3 per cent. of the gross earnings, which will compare favorably with the results of any road in the United States, and fully sustains the statements which have been made in regard to the permanent character of the construction of the road, and of its favorable grades, &c.

The tables hereto annexed, exhibit in detail the entire business connected with the operating department for 1853. The heading of each table explains its contents

All of which is respectfully submitted.

EDWARD H. BRODHEAD,

Engineer and Superintendent.

TABLES

TO

SUPERINTENDENT AND ENGINEERS' REPORT.

TABLE

Showing the Earnings of the Milwaukee and Mississippi Railroad in 1853.

MONTHS.	Way Passengers.	Through Passengers.	Stage Passengers.	Total No. of Passengers.	Amount of Pass. Fares.	Amount of Freight.	TOTAL.
January,	2574	542	241	3357	$3,195 30	$7,605 95	$10,801 25
February,	2448½	526	253	3227½	3,290 70	5,640 16	8,930 86
March,	3220	422½	288	3930½	3,507 27	4,636 08	8,143 35
April,	3653½	724½	554	4932	4,819 60	4,124 78	8,944 38
May,	4490½	1048	537	6095½	6,213 48	7,754 42	13,967 90
June,	4993	1660	535	7188	8,326 10	10,259 14	18,585 24
July,	6427	1473½	506½	7907	8,376 79	7,800 21	16,177 00
August,	5990½	1540	657	8187½	8,754 88	9,521 28	18,276 16
September,	6437½	1922½	696	9056	10,079 63	25,217 80	35,297 43
October,	6366½	1609	469	8624½	9,571 93	32,025 31	41,597 24
November,	5304	952½	462	6718½	6,496 98	20,553 19	27,050 17
December,	4981	945½	307	6233½	6,002 68	13,144 82	19,147 50
	56,886	13,866	5,705½	75,957½	$78,635 34	$148,283 14	226,918 48

TABLE

Showing the amount of Freight moved on the Milwaukee and Mississippi Railroad, 1853.

TRAINS WESTWARD.

MONTHS.	Merchandize	Sundries.	Lumber.	Lath.	Shingles.	Pickets.	Coal.	Iron.
	Pounds.	Pounds.	Feet.	Pieces.	M.	No.	Pounds.	Pounds.
January,	500,527	2,550	462,523	22,000	308	1,600	53,520	163,008
February,	268,490	63,680	511,921	68,050	106	600	4,000	30,355
March,	242,745	98,180	388,104	22,632	209	548	7,000	28,060
April,	543,052	143,462	332,665	34,600	288	1,400	11,000	53,613
May,	1,876,007	304,170	368,766	105,900	390		76,550	94,031
June,	1,570,749	167,400	842,292	193,700	1034	3,765	60,000	130,411
July,	956,485	75,898	911,639	84,800	561	3,300	44,270	475,423
August,	994,746	172,108	1,029,995	156,350	770½		110,000	222,072
September,	1,880,067	133,370	1,174,297	210,450	657½	21,958	163,600	275,745
October,	2,338,878	130,515	859,779	382,100	513	1,700	321,900	1,311,509
November,	1,316,961	103,736	520,107	105,840	376	1,000	565,620	1,259,612
December,	766,057	350,070	525,012	194,169	312		50,400	1,156,033
Total,	13,254,764	1,745,139	7,927,100	1,580,591	5,525	35,871	1,467,860	5,198,872

MONTHS.	Posts.	Salt.	Whiskey.	Apples.	Lime.	Stoves.	Brick.	Live stock	Bbls. for Packing.
	Cords.	Barrels.	Barrels.	Barrels.	Barrels.	No.	No.	No.	
January,		403	20			48	2400	1	
February,	2	144	37			21	500	5	829
March,		98	41	178		43			1749
April,	2	31	36	84	220	21	3000		577
May,	47	89	70	145	18	127	300	20	251
June,	76	619	78	61	209	558	11,708	1	265
July,	2½	729	154	103	84	509	23,300	1	1247
August,		936	259	64	61	556	2300	4	1011
September,		1869	147	284	41	1000	38,000	19	1022
October,	1	1599	99	780	44	977	6050		7708
November,		2399	98	1292	207	647	5250	9	7225
December,	9	804	114	388	9	145		8	3359
Total,	139½	9720	1153	3379	893	4652	92,808	68	25,243

AGGREGATE MOVEMENT.

Westward,	32,000	Tons.
Eastward,	35,000	"
Total,	67,000	"

TABLE

Showing the amount of Freight moved on the Milwaukee and Mississippi Railroad, 1858.

TRAINS EASTWARD.

MONTHS.	Wheat.	Corn.	Oats.	Barley.	Rye.	Flax Seed.	Grass Seed.	Potatoes.	Flour.	Pork.	Lard.	Potash.	High Wines.	Pork.	Hogs.	Tobacco.
	Bushels.	Bush.	Bush.	Bush.	Bush.	Bu.	Bu.	Bush.	Barrels.	Bbs.	Bbs.	Bbs.	Bbs.	Pounds.	Poun's	Pounds.
January,	46,214	1121	3076	2,073	266	335	....	416	3,147	84	34	....	125	195,415	.....	.....
February,	25,207	435	1441	1,786	384	217	....	61	3,740	73	10	....	246	55,913	.....	.....
March,	11,497	850	1967	3,020	36	520	91	812	3,545	51	9	....	325	48,447	.....	1,200
April,	9,506	608	3133	1,292	185	293	63	738	500	765	1	....	144	8,497	.....	.....
May,	13,371	874	4822	1,713	62	69	12	1731	2,343	144	49	32	335	6,872	.....	11,776
June,	40,871	480	1464	1,158	244	88	5	476	2,164	37	1	....	6	4,850	.....	.....
July,	13,641	527	1867	54	300	....	....	403	1,413	20	....	....	....	.....	1,563	12,618
August,	19,345	161	9854	4,582	6171	....	86	911	1,529	260	....	....	56	.....	.....	272
September,	129,246	2087	6715	62,276	7344	10	346	1281	9,647	9	....	....	....	20,800	20,775	.....
October,	199,261	103	3179	40,240	9017	132	2234	2564	12,463	5	....	12	....	48,772	33,015	.....
November,	108,369	1605	3542	14,581	2677	762	479	1512	9,054	35	....	9	105	134,944	.....	.....
December,	54,023	4697	8462	4,551	1176	197	....	939	3,370	27	8	....	233	505,268	200	2,680
Total,	670,551	13,548	49,522	137,326	27,862	2623	3326	10,844	52,915	1510	112	53	1575	1,029,778	55,553	28,546

MONTHS.	Hides.	Flax.	Broom Corn.	Wool.	Sundries.	Butter.	Live Stock.	Stone.	Lumber.	Packing Bbls.	Linseed Oil.	Mill Feed.	Lead.	Shot.
	Pounds.	Poun's	Pounds.	Pounds.	Pounds.	Kgs.	No.	Cds.	Feet.	No.	Bbls	Pounds.	Pounds.	Pounds.
January,	17,796	750	15,882	.....	57,743	20	5	3 1/8	.....	615		.....	.....	.....
February,	27,945	750	.....	.....	102,207	22	4	1 3/4	.....	368	5	.....	.....	.....
March,	13,742	6100	1,373	.....	181,238	8	38	1 3/4	5,000	....	2	.....	.....	.....
April,	8,939	2353	600	50	122,994	10	875	1 5/8	.....	41	....	.....	.....	.....
May,	11,155	2500	.....	.....	200,319	58	438	....	6,000	....	....	.....	.....	.....
June,	12,121	3750	.....	78,285	114,950	31	74	3 1/2	5,342	....	....	.....	.....	.....
July,	12,141	740	2,300	68,110	75,898	47	16	5	.....	142	5		96,768	.....
August,	6,000	.....	11,000	5,624	172,108	290	3	3	.....	....	....		130,844	38,851
September,	5,617	.....	16,816	5,497	133,370	189	13	1	.....	....	6		244,519	32,750
October,	22,710	.....	93,348	.....	130,515	306	3	12	.....	....	....	300,000	156,741	24,200
November,	12,512	.....	29,885	.....	103,736	61	2	9	10,400	....	....	409,080	96,692	8,400
December,	14,738	.....	13,200	897	78,780	44	5	....	5,500	....	4	55,013	.....	6,000
Total,	165,408	16,943	184,354	158,463	1,473,858	1086	1475	41 3/4	32,242	1166	22	764,093	725,564	110,201

EXPENSES

Of Operating the Milwaukee and Mississippi Railroad, for the Year 1853.

	January.	*February.*	*March.*	*April.*	*May.*	*June.*
Fuel,	$3196 21	$3581 50	$1708 60	$268 00	$3849 26	$856 72
Repairs of road.	535 65	378 50	462 95	537 42	666 26	525 43
Repairs of locomotives,	295 49	778 32	343 95	378 86	416 95	411 22
Train services,	509 00	498 00	490 00	440 00	483 77	416 00
Repairs of cars,	407 56	718 21	555 03	199 37	368 10	403 98
Station services,	1297 33	1310 94	965 11	1050 91	1211 88	1517 05
Miscellaneous expenses	271 81	208 28	667 72	337 53	108 42	481 92
Oil and waste,	3 89	5 79	70 45	9 89	251 07	576 21
Stationery and printing,	14 13	--------	143 81	--------	--------	--------
Taxes,	--------	--------	--------	--------	--------	--------
	$6531 07	$7479 54	$5407 62	$3221 98	$7355 71	$5188 53

	July.	*August.*	*Sept'r.*	*October.*	*Nov'r.*	*Dec'r.*	*Total.*
Fuel	$2076 79	$209 50	$2027 91	$1318 51	$870 69	$352 88	$20,316 57
Repairs of road	884 19	932 00	768 50	1247 14	1139 41	1531 37	9608 82
Repairs of locomotives	200 19	508 71	883 41	1241 79	1002 45	1950 87	8412 21
Train services	466 75	707 50	1059 00	1204 50	856 00	778 00	7918 52
Repairs of cars	139 25	151 71	324 44	547 90	361 05	380 14	4556 74
Station services	1804 00	1357 79	1671 26	2621 70	1646 28	2539 87	18,994 12
Miscellaneous expenses	240 11	350 64	262 47	511 67	302 40	841 30	4582 37
Oil and waste	72 71	426 90	490 42	4071 32	275 13	131 45	6385 23
Stationery and printing	135 83	.....	205 37	53 00	.....	426 52	978 66
Taxes	.....	.....	.....	.....	.....	5360 34	5362 84
	$6019 82	$4644 75	$7692 78	12,817 53	$6463 41	$14,292 74	$87,115 48

REPORT.

OFFICE OF THE M. & M. R. R. Co.,
MILWAUKEE, DEC. 31, 1853.

To the President and Directors of the M. & M. R. R. Co:

GENTLEMEN—

I submit herewith statements of the affairs of the Company, as exhibited by the Books at this date, as follows:

Statement marked "A," showing the amount of stock subscribed in the Company and payments received thereon; statement marked "B," showing amount of Bonds issued and sales of same, and statement marked "C," showing the affairs of the Company in general account.

Respectfully,

WM. TAINTOR, Secretary.

REPORT.

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MILWAUKEE, DEC. 31, 1853.

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Respectfully,

WM. TAINTOR, Secretary.

(A.)

STATEMENT

Of Capital Stock Account, December 31st, 1853.

The whole amount of Stock subscribed to date is, 15,422 Shares, or,		$1,542,200
as follows, to wit :		
By the City of Milwaukee, 2,500 shares,	$250,000	
" individuals, including 1,000 shares subscribed at Prairie du Chien and vicinity, 10,920 shares	1,092,200	
" A. L. Catlin, contractor, under contract, 2,000 shares,	200,000	
Payments have been received on the above as follows, :		
From the City of Milwaukee in Cash and Bonds,	$245,300	
From individuals, in Mortgages,	$343,800 00	
Less Mortgages surrendered on account of imperfection,	10,000 00	333,800 00
From individuals in Cash,	241,780 76	
"A. L. Catlin, contractor, ch'g'd in ac.	200,000 00	
	1,030,880 76	
Leaving unpaid,	511,319 24	
		$1,542,200

A considerable portion of which is now due.

Of the above amount of stock subscribed, 498 shares are held by the Company.

(B.)

STATEMENT OF BOND ACCOUNT.

To sales of first issue of 8 per cent bonds,.....	$526,000	By Eight per cent. bonds, convertible, issued in June, 1852, payable July 1st, 1862,.....	$600,000
Amount of first issue held by George S. Coe, Trustee, for the redemption of an equal amount of 10 per cent bonds,.....	74,000	Eight per cent bonds, convertible, issued in April, 1853, payable April 1st, 1863, ...	650,000
Sales of 8 per cent bonds, of second issue, so far as reported,.....	100,000		
Deposited with Messrs. Duncan, Sherman & Co., and Probst & Meinertzhagen as collateral to iron contract, say.....	238,000		
On hand,.....	312,000		
	$1,250,000		$1,250,000

$150,000 of ten per cent. bonds, were issued in May, 1851, under a mortgage upon the first 20½ miles of the road. Of these, $76,000 have been cancelled by the Trustee in the mortgage, Geo. S. Coe, Esq. The remainder, $74,000, are still outstanding; but an equal amount of the first issue of eight per cent. bonds is held by the Trustee, as above stated, for the redemption of these.

(C.)

DR. The Milwaukee and Mississippi Rail Road Co. in General Account, Dec. 31, 1853. CR.

Capital Stock. — Amount paid in, including $200,000 charged to A. L. Catlin, con.		$1,030,880 76	Construction, including all expenditures on this account for the main road (except the interest and general expenses of 1853, which are stated below,) and $93,047.70 expended on account of the Janesville Branch,	$1,599,292 07
Bond Account.—10 per cent. Bonds now outstanding,	$74,000		Real Estate, including expense of grading Milwaukee depot grounds,	103,182 36
8 per cent. Bonds sold and exchanged for 10 per ct. Bonds,	526,000		General expenses of 1853, embracing salaries, incidental, office, loan and mortgage expenses, &c.	14,480 30
8 per cent Bonds, second issue, sold	100,000		Personal Property, including shop tools and fixtures, and depot furniture,	16,321 43
		700,000 00	Bills receivable, and other debts due the company, including mortgages of stockholders, unsold,	112,026 72
Debts and bills payable, including liabilities incurred in purchase of 4,000 tons of iron for completion of the road to Madison, and amount due the agents of the Company, in New York, for advances,	520,553 40		A. L. Catlin, Contractor, balance of his account, exclusive of items chargeable to him for which the company's obligations have been given,	134,293 59
Less, assumed by A. L. Catlin, Contractor, say	285,467 71		Interest.—Amount paid during the year 1853, chargeable to construction, and amount chargeable to income account,	113,621 30
		235,082 23	Treasurer, funds in his hands,	21,879 26
Interest—Dividend Certificates—outstanding,		4,701 74		
Unclaimed Interest Dividends,		2,559 95		
Income Account, nett receipts of 1853,		126,218 41		
Warrants on the Treasurer, outstanding,		15,653 94		
		$2,115,097,03		$2,115,097 03

NOTE. The requisite data have not been received for making the changes in the accounts on the books, resulting from the cancelling of the contract with A. L Catlin. They are accordingly represented in the above statement without regard to that cancellation.

REPORT

OF THE

TREASURER.

REPORT.

January 1, 1853.		
To Cash and Contingent Vouchers on hand,----------	$66,093.06	
Jauuary 1, 1854.		
To amount received on Stock during the year,----------	314,831.14	
" amount received from earnings of Road,----------	221,135.27	
" amount received from sales of Bonds, Discounts, &c.---------	205,702,87	
" amount received from A. L. Catlin, on contract,----------	72,767.32	
" amount received from sales of gravel cars, rents, &c.--------	1,751,99	
		$882,281.65

January 1, 1854.	
By amount of Warrants paid and returned,----	860,402.39
" Cash and Contingent Vouchers on hand,---	21,879.26
	$882,281.65

I. E. GOODALL, *Treasurer.*

Milwaukee, January 1st, 1854.

ERRATA.—On page 7, last line, for "stock," read "bonds."

On page 6, line 7, for 1854, read 1855.